

STATE OF KANSAS)
WYANDOTTE COUNTY)) SS
CITY OF KANSAS CITY, KS)

SPECIAL MEETING, THURSDAY, JULY 15, 2021

The Unified Government Commission of Wyandotte County/Kansas City, Kansas, met in a Special Commission Meeting, Thursday, July 15, 2021, with ten members present. Bynum, Commissioner At-Large First District; Townsend, Commissioner First District; McKiernan, Commissioner Second District; Ramirez, Commissioner Third District; Johnson, Commissioner Fourth District; Kane, Commissioner Fifth District; Markley, Commissioner Sixth District; Walters, Commissioner Seventh District; Philbrook, Commissioner Eighth District; and Alvey, Mayor/CEO presiding. Burroughs, Commissioner At-Large Second District; was absent. The following officials were also in attendance: Doug Bach, County Administrator; Alan Howze, Emerick Cross and Melissa Sieben, Assistant County Administrator's; Bridgette Cobbins, Interim Assistant County Administrator; Brett Deichler, Interim Unified Government Clerk; Misty Brown, Chief Counsel; Kathleen VonAchen, Chief Financial Officer; Debbie Jonscher, Deputy Chief Financial Officer; and Ashley Hand, Director of Strategic Communication.

MAYOR ALVEY said before I call the meeting to order, I want to announce that due to COVID-19, we have some staff attending in public, remotely via Zoom or by phone. All participants joining by phone should mute their phones when not speaking to avoid background noise. During the meeting, please make sure that you announce yourself by name and title every time you speak so the public that is observing knows who is speaking. This is critical given the number of remote participants in his current guidance from the Kansas Attorney General.

MAYOR ALVEY called the meeting to order.

MAYOR ALVEY said I would ask the Clerk to announce the meeting and call the roll.

ROLL CALL: Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum, Alvey.

NOTICE OF SPECIAL COMMISSION MEETING of the Unified Government of Wyandotte County/Kansas City, Kansas, to be held Thursday, July 15, 2021, at 5:00 p.m. in the fifth floor conference room of the Municipal Office Building regarding the Revenue Neutral Rate.

The public will be able to view the meeting in person in the lobby area of City Hall or virtually via a Zoom webinar.

CONSENT TO MEETING of the governing body of Wyandotte County/Kansas City, Kansas, accepting service of the foregoing notice, waiving all and any irregularities in such service and in such notice, and consent and agree that we, the governing body, shall meet at the time and place therein specified and for the purpose therein stated.

Mayor Alvey said this evening our invocation is being given by Commissioner Harold Johnson of Faith Deliverance Church of God in Christ.

Mayor Alvey asked, are there any revisions to tonight's special meeting? **Brett Deichler, Interim Unified Government Clerk**, said, Mayor, there were no revisions.

Mayor Alvey said there is only one item on the Administrator's Agenda. We have a resolution to schedule a public hearing for September 7, 2021, regarding the governing body's intent to levy a property tax exceeding the revenue neutral rate. I'll ask County Administrator Bach to make some opening remarks and to introduce staff.

ADMINISTRATOR'S AGENDA

Item No. 1 – 21928...SCHEDULE PUBLIC HEARING: REVENUE NEUTRAL RATE

Synopsis: a resolution setting a public hearing date of September 7, 2021, regarding the governing body's intent to levy a property tax exceeding the revenue neutral rate, submitted by Misty Brown, Chief Counsel.

Doug Bach, County Administrator, said this is the item we talked to you about in more depth a couple of weeks ago. As we've gone through the last couple of weeks and conversed more with the League of Kansas Municipalities, the evolving and understanding of how this State legislation

works is that we also need to formally take action to just acknowledge the fact that it's our intent to collect more revenue than we did last year or at least give ourselves that option.

Last year, as you all know, was a low revenue year in 2020. This has nothing to do or does not change our mill rate at all. In fact, the published mill rate that's listed here is the identical mill rate. So, as you know, many times when we go through the budget process we will adopt a maximum mill rate that may be a little higher than our—or I will say we'll consider a mill rate that could be higher than our previous one just to give ourselves some room. This doesn't even do that. This holds us at the existing mill rate that we have today, but it just recognizes the fact that you're going to have a public hearing on it in September. You will discuss it. You can always lower down from that rate, but it also puts that notice out there that the amount or the value of the mill and the amount of money that can be collected will be more than what came in in 2020.

This sends it out as official notice that you're taking this action. We have to take adopted action so it goes to the Clerk so the Clerk can then follow through with publication requirements accordingly.

With that, I would recommend approval so we can move on through the budget process as set out by the State legislature.

Mayor Alvey said, so again, I want to be clear that—Misty, could you speak to this that when it says we have a resolution to schedule a public hearing regarding the governing body's intent to levy a property tax exceeding the revenue neutral rate. This is not a resolution that binds us to exceed, but this is the language we have to use in order to be able to do that. We could choose not to exceed the revenue neutral revenues, right?

Misty Brown, Chief Counsel, said that is correct. As Senate Bill 13 set out, if we wish to maintain that option to exceed the revenue neutral rate, we have to provide formal notice to the Clerk by today of this intent. So, this is the language that by statute recommended by the League of Municipalities. **Mayor Alvey** said, again, the language does not allow us to say the governing body's intent to consider to levy a property tax exceeding the revenue neutral rate. **Ms. Brown** said that's correct, Mayor.

Commissioner Bynum said I just have a question around a technicality. When we adopt our budget every year, we actually adopt a series of resolutions; the county mill levy, the Downtown SSMID, wastewater, solid waste, the library. Are any of those impacted or do they just ride along with this extension? **Mr. Bach** said they are impacted and Kathleen may want to speak to it in more detail. The two different mill rates that you're seeing, one is on the City, one on the County; they are in the resolution so the County one includes various ones that are part of that, all the different funds that are within that.

I don't know the answer on the SSMID piece. Kathleen, do you want to speak to that?

Kathleen VonAchen, Chief Financial Officer, said we actually did some research on those other districts such as the SSMID and the library district and they're actually not obligated to do the measures that are in Senate Bill 13. So, those two are not under those provisions. Maybe Misty can speak to that a little bit, but that's the ruling that they came up with. **Commissioner Bynum** said that makes my question be—we used to be on a deadline of sometime in August and so, are we still on that deadline for those items? **Ms. VonAchen** said, I think, Commissioner Bynum, that is a really excellent question. As we work through the new legislation we're learning bits and pieces as we go. At this point we're not 100% sure what the deadlines are for those two, so, you know, we're still finding out. I wish I could tell you different unless Misty can fill in. I think we all have come to the conclusion we're not real sure, we're researching it.

Mr. Bach said I will say we are operating that we're going to submit our whole budget to the State at the same time.

Commissioner Ramirez said in question—I have some confusion. Here at the top it says the neutral rate or the mill is 37 for the City and 37.8 for the County, but towards the bottom it says the proposed mill levy for KCK is 38 and proposed County mill levy for the County is 39. Why are those different? It shows that we're raising the mill levy and if we're raising it, are we required to so that we can realize the extra revenue or the new revenue coming in on top of the neutral rate? **Ms. VonAchen** said no. The revenue—in order to achieve the revenue neutral rate, what that means is that we would have to lower our mill rate to collect the same amount of revenue as we collected last year. So, basically, it negates any kind of growth in assessed value. The numbers

you're seeing—so, I don't have the documents (inaudible), but the numbers you're seeing are what the rates would be if we didn't exceed the revenue neutral rate.

What we're proposing, at the moment, is to maintain the mill rates as they currently are without any change. **Commissioner Ramirez** said okay, that makes sense. So, let's say, for some reason we decide to not exceed it, we would have to lower the mill levies to 37.1 and 37.8 to maintain the revenue from last year, correct? **Ms. VonAchen** said in order to maintain—to levy the same level of revenue as last year, yeah, without capturing the growth in the assessed value.

Commissioner Ramirez said I was a little confused by the two numbers, but thank you very much for that.

Commissioner Townsend said just so I'm clear, if we—or when we take action on this resolution, will we be bound to the rates already mentioned in the resolution? I think Commissioner Bynum, and I guess I most closely associate this with Commissioner Kane, because he usually brings the motion forward, that we can always lower the proposed rate at a different time. So, are we basically stuck with the rates that are currently in the resolution? **Ms. VonAchen** said no, you have the option to lower the rate from that level that's in the resolution. You can't increase it. **Commissioner Townsend** said and that's my question, by moving on this, will the benefit of this hearing be that we can consider a higher rate if we chose to, not that we would, but as we did in the past, we set it at a level that we can't exceed later, we can always lower.

Mayor Alvey said no. I think all this does is, Senate Bill 13 says that if we are going to see growth in our appraised value, which generates more revenues, they're saying if you're going to realize the gains of all your real estate development and everything, and you'll see additional revenues come in beyond what you got last year, then you have to hold a special hearing that talks about that. That you're going to bring in an additional million dollars this year and say that we're going to capture that one million dollars. If we wanted to change the mill levy rate, that's a separate hearing which is already scheduled. Am I correct about that? The actual mill levy hearing is a separate hearing. **Commissioner Townsend** said where we could set an upper most limit beyond.

Mr. Bach said you are setting your upper most limit tonight. You cannot exceed where this is. You can lower it. So, this is establishing the mill rate that we currently have on the books coming from the previous year. We will not go higher than that. **Commissioner Townsend** said

okay, thank you, that's what I wanted to—**Ms. VonAchen** said unless someone proposes an amendment to the resolution you're looking at right now, it's both, right?

Mr. Bach said you can do that—well, you can—what you set tonight is what it is. So what we have in the resolution, written out, is what the current mill rate is. If you want to provide flexibility to consider more through the budget process, you could set that at a higher number if you want to. **Ms. VonAchen** said but you have to do it now. **Mr. Bach** said you can always lower it back to this or lower it lower. **Commissioner Townsend** said right, but that action would have to be taken tonight? **Mr. Bach** said yes. **Commissioner Townsend** said that's what I wanted to clarify.

Commissioner Ramirez said on the budget calendar it says that August 26th is when we set the maximum mill levy, so is that being changed to tonight? **Mr. Bach** said yes. This is adjusting based on what we're learning and going through the changes in the State legislative stuff. This literally, it was working with the League last week, you know, that they put out this advisory to all of our jurisdictions that that's how they interpreted the law and I think it was as recent as today or yesterday, Misty, when we were talking with additional officials up there about whether the maximum mill rate, we didn't get clarification on that until, I think, yesterday. This action circumvents the maximum mill rate type action that's part of the normal budget process.

Commissioner Ramirez said it's frustrating, not on staff, not on staff, definitely not on staff at all. It's frustrating—the Mayor and I we had a conversation about this and how last year was really a sad and horrible year for local governments. You know, the State taking away local control, taking away how we do and control our own budget process and budget cycles and everything that we do. We're all grown-ups, we're all adults, we know how to do our jobs and so it's frustrating that the State is fast-forwarding our budget process and not giving us much leeway to do what we need to do for our community and so it's frustrating.

Mr. Bach said that's why in moving forward tonight, at least gives us the flexibility to look at capturing the same—under the same mill rate, the value that comes about from previous years, but it is frustrating to have that happen to us. I mean, they write legislation without really making all the rules clear. I mean the fact that all the agencies in Kansas, the League you're going through this and figuring it out right up to the last minute to advise us.

Ms. VonAchen said I wanted to add to that point actually. As I've told you before, we have these monthly or every two-month meetings with all of the other Finance Director's in the eastern part of Kansas—or northeastern Kansas, and not one of them reported that they're going to remain at the revenue neutral rate. They are all increasing them, so we're not the only city doing this.

Commissioner Kane said this isn't—tomorrow you're going to see the biggest unemployment change they've had in 20 years. What's happened is they finally went back and started reviewing the Senate bills, the House bills, what they really meant. The problem with that is they found out in short order, which puts us on a hot seat right now, so it's not just this thing that's happened with the Senate bill, it's unemployment and multiple other things that they got together and said, hey, I was going to name names, but I better not. Some of the fine individuals up there in Topeka said this was the intent and then they had to sit back down with the lawyers and say here's how it went and I know this for a fact because it's killing us. Staff didn't do anything wrong, nobody did anything wrong except maybe the people in Topeka that wrote it. That's a very polite way to say that.

Commissioner Bynum said, I'm sorry, I'm going to go over this one more time. The resolution in front of us is that number one, we're going to have a public hearing regarding our intention to exceed the revenue neutral rate, so we're setting that public hearing date. Number two, we are proposing a mill levy for the City of 38.47—a maximum mill levy. We're setting a maximum mill levy for the County of 39.327 and we're providing this resolution to our Clerk as notice. Those are the sort of four items that are contained within this resolution and did I hear us say that these two mill levies being proposed in this resolution as our maximum mill levies are slightly higher than last years' two City and County mill levy's or are they exactly the same? **Mr. Bach** said they are the same.

Commissioner Ramirez said piggy-back off of Commissioner Bynum's, so the maximum mill levy is the current mill levy. Is that what we're doing with that? **Mr. Bach** said if you adopt it as written, that would be correct. **Commissioner Ramirez** said I needed that clarification.

Commissioner Townsend said my question is, can staff refresh my recollection from last year as to what our maximum mill levy was because apparently we came down to this last year, if I'm correct, because if I'm understanding this, we have no wiggle room. This is the maximum mill levy rate. That's what we're establishing, which is the current, so we are locking that in tonight, so out of curiosity, could staff refresh my recollection as to what our maximum was last year before we solidified it at this current 38.1? **Mr. Bach** asked, Kathleen, do you have that in front of you? I think we adopted a maximum that was two mills over when we did the maximum mill rate last year. **Ms. VonAchen** said Debbie knows that.

Debbie Jonscher, Deputy Chief Financial Officer, said yes, we adopted it at a maximum—let's see, our maximum was 40.398 when we adopted—when we published last year for the 2021 budget. **Ms. VonAchen** said for the City. **Mr. Bach** asked, Debbie, would you say that again a little bit louder. You're hard to hear. **Ms. Jonscher** said we published the maximum mill levy two mills above the levy that was approved. **Mr. Bach** said for the City and for the County. **Ms. Jonscher** said for the City. I believe the County stayed the same. It was only the City that we increased. **Mr. Bach** said and that's just for the maximum mill rate, but we adopted—obviously, we adopted this rate. **Commissioner Townsend** said I just couldn't hear the first part of what that was. What was the number again? **Mr. Bach** said two mills over what is on the sheet of paper. **Ms. Jonscher** said the mill that we published for the City was 40.398.

Mayor Alvey asked, any more discussion? Alright, seeing none, I would entertain a motion.

Action: RESOLUTION NO. R-44-21, "A resolution setting a public hearing date of September 7, 2021, regarding the Governing Body's intent to levy a property tax exceeding the Revenue Neutral Rate." **Commissioner Walters made a motion, seconded by Commissioner Bynum, to adopt the resolution.** Roll call was taken and there were nine "Ayes," Townsend, McKiernan, Ramirez, Johnson, Kane, Markley, Walters, Philbrook, Bynum.

**MAYOR ALVEY ADJOURNED
THE SPECIAL MEETING AT 5:25 p.m.**

Brett Deichler
Interim Unified Government Clerk

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July 15, 2021